

SPECIAL NOTICE LETTER
URGENT LEGAL MATTER
PROMPT REPLY NECESSARY
SENT VIA UPS OVERNIGHT **XXXX XXXX XXXX XXXX XXXX**

Chromalloy American Corporation
C/O Sequa Corporation
Three University Plaza
Hackensack, New Jersey 07601

Re: Special Notice of Potential Liability and Draft Consent Decree
Delta Shipyard Superfund Site, Houma, Terrebonne Parish, Louisiana, SSID No. 06GC
Located generally at 200 Industrial Boulevard in the City of Houma, Terrebonne Parish,
Louisiana

Dear Sir/Madam:

The purpose of this letter is to invite **Sequa Corporation** (hereafter referred to as “you”) as a Potentially Responsible Party (PRP) to enter into negotiations with the U.S. Environmental Protection Agency (hereafter referred to as the “EPA”) to undertake a Remedial Investigation and Feasibility Study (RI/FS) regarding hazardous substance contamination at the Delta Shipyard Superfund Site, Houma, Terrebonne Parish, Louisiana (Site). The Site is located generally at 200 Industrial Boulevard in the City of Houma, Terrebonne Parish, Louisiana.

The EPA has determined that there is/was a release or a substantial threat of a release of hazardous substance(s) at or from the Site and has identified numerous parties as past or current owners of record for the Site from July 13, 1964, through November 14, 2014. **For a period prior to August 31, 1980, the non-corporate business entity named Delta Shipyard (DS) operated a boat and barge cleaning and repair facility at the Site. Operations of DS included cleaning and repairing small cargo boats, fishing boats, and oil barges. Recovered oil deemed usable during cleaning activities was collected and eventually sold. Oily waste from the cleaning process was stored in several unlined earthen pits at the Site. These pits were used as evaporation ponds. Reportedly, these pits were also used to dispose of oil field drilling material. The EPA has determined that hazardous substances were released during the period that DS operated its boat and barge cleaning and repair facility at the Site.**

From July 13, 1964, until August 31, 1980, DS had initially been a business unit of Delta Iron Works, Inc. and subsequently a business unit of Chromalloy American Corporation (Letter, SDMS 135854 and Deed, SDMS 686482).

The EPA has determined that you are the successor in interest to Delta Iron Works, Inc. and Chromalloy American Corporation. The EPA has obtained copies of recorded deeds (Deeds, SDMS 9527755 and 686482) that identify these corporations as owners of record for the land area upon which the Site is located for a period of time prior to August 31, 1980. The EPA has determined that during the period from July 13, 1964, until August 31, 1980, hazardous substances were released at the Site by DS. For

these reasons, the EPA has determined that you are potentially liable under Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA or Superfund), 42 U.S.C. § 9607(a), and responsible for the cleanup of the Site, including all past costs incurred by the EPA in responding to releases at the Site. The EPA is now contacting you and each PRP to offer an opportunity to enter into negotiations to perform the selected response and resolve the liability for the Site.

Background

For a number of years prior to August 31, 1980, the non-corporate business entity named DS operated a boat and barge cleaning and repair facility at the Site. Operations of DS included cleaning and repairing small cargo boats, fishing boats, and oil barges. Recovered oil deemed usable during cleaning activities was collected and eventually sold. Oily waste from the cleaning process was stored in several unlined earthen pits at the Site. These pits were used as evaporation ponds. Reportedly, these pits were also used to dispose of oil field drilling material. The EPA has determined that hazardous substances were released during the period that DS operated its boat and barge cleaning and repair facility at the Site.

Large volumes of waste remain on site, and hazardous substances have been found in ground water, surface water and soil. The closest residential property is located approximately 400 feet west of the open pits. Without remediation of the site, additional releases to ground water, surface water and soil will continue to occur. The predominant threat to human populations, animals or food chain is the potential for exposure by direct contact with arsenic, antimony, anthracene, barium, benzene, cadmium, chromium, ethylbenzene, fluorene, lead, manganese, mercury, 2-methylnaphthalene, naphthalene, phenanthrene, pyrene, o-xylene and m,p-xylene to the surface water pathway, ground water and soil.

Opportunity to Negotiate

On behalf of the EPA, I am offering you this opportunity to enter into negotiations because the EPA believes that you may be responsible for the cleanup of the Site under the Superfund Law. I have enclosed a "special notice" as Enclosure 1, which explains that responsibility more clearly. This notice also explains the purpose of the Draft Administrative Order on Consent (AOC) and the Draft Statement of Work (SOW) are in Enclosure 2. **Enclosure 3 contains copies of several documents, i.e., evidence, that confirms for a period of time prior to August 31, 1980, your predecessor corporations had been owners of record for a land area upon which the Site is located when hazardous substance were released at the Site by DS; i.e., the non-corporate entity having been a business unit of your predecessor corporations.** Enclosure 4 contains a list of all PRPs receiving this special notice.

Within 60 days of the receipt of this letter, I ask you to contact the EPA Superfund Cost Recovery Enforcement Officer, Mr. Robert Werner, at (214) 665-6724 or werner.robert@epa.gov, or have your attorney contact the EPA Assistant Regional Counsel, Ms. Amy Salinas, at (214) 665-8063 or salinas.amy@epa.gov, and let the EPA know whether you plan to enter into on-going, good-faith negotiations to enter into a settlement agreement with the EPA to perform a RI/FS at the Site.

My staff will be available to explain the Superfund program and special notice process to you and respond to any concerns and questions you may have. If you or your attorney have legal questions, please call Ms. Salinas at (214) 665-8063. If you have technical questions about the Site, please contact the Remedial Project Manager, Mr. Brian Mueller, at (214) 665-7167. If you have any other questions, please contact Mr. Werner at the number above.

We look forward to working with you during the coming months.

Sincerely yours,

Carl E. Edlund, P.E.
Director
Superfund Division

Enclosures (5)

cc: U.S. Department of Interior, U.S. Fish and Wildlife Service
United States Geological Survey
Louisiana Department of Environmental Quality
Louisiana Department of Natural Resources Commission
Louisiana Coastal Protection and Restoration Authority
Louisiana Oil Spill Coordinator's Office
Louisiana Department of Wildlife and Fisheries Commission